

and no less than 52% lean in respect to gilts. This standard is based on the presently existing industry standard lean percentage of 48% and the parties shall annually review and revise such percentages to reflect, on a mutually acceptable basis, Buyer's requirements for leaner Hogs relative to then-current industry standards for barrows and gilts as reported by the National Pork Council or the American Meat Institute.

- (iv) Yield. Hot dressing yield shall average over 73.5% per load.
- (v) Genetics. Any change in genetics shall be agreed upon by both parties.
- (c) Additional Requirements. Seller shall notify Buyer in the event that any Market Hogs sold by Seller have been treated with Beta Agonist, PST, Ractopamin or any similar substance. In the event Buyer reasonably determines that use of such substances adversely affects the quality, texture or other characteristic of the meat produced from the Market Hogs purchased from Seller or the boning yields from such Market Hogs, Seller shall, upon written notice from Buyer, immediately discontinue delivering Market Hogs that have been treated with such substances.

#### ARTICLE 4

#### SCHEDULING HOG SHIPMENTS

##### Section 4.01

All Market Hogs purchased hereunder shall be delivered by Seller, freight prepaid by Seller (subject to the provisions set forth in Section 4.03 below), to the slaughter facilities as set forth in Section 2.01 and title and risk of loss thereto shall pass from Seller upon unloading of the Market Hogs at such slaughter facilities. For purposes of this Contract, delivery means the unloading of the Market Hogs with the freight charges prepaid by Seller to Buyer's facilities. It is understood that the weighing of the Market Hogs shall be done at the time of unloading the Market Hogs, without any diversion of the Market Hogs to holding or sorting areas. Deliveries of Market Hogs shall be made as mutually agreed upon and as scheduled by Seller and Buyer.

##### Section 4.02

At least three (3) months prior to the beginning of each calendar year quarter, Seller shall advise Buyer of the estimated number of Market Hogs to be produced in the immediately succeeding calendar year quarter, which will be approximately one-fourth (1/4) quantities set forth in Section 2.01.

In addition to the above-stated three (3) month estimate, Seller shall furnish Buyer weekly an estimate of the quantities of Market Hogs to be shipped during each subsequent two (2) week